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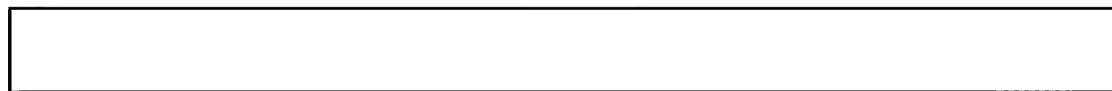
19 February 1960

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CENTRAL INTELLIGENCE BULLETIN



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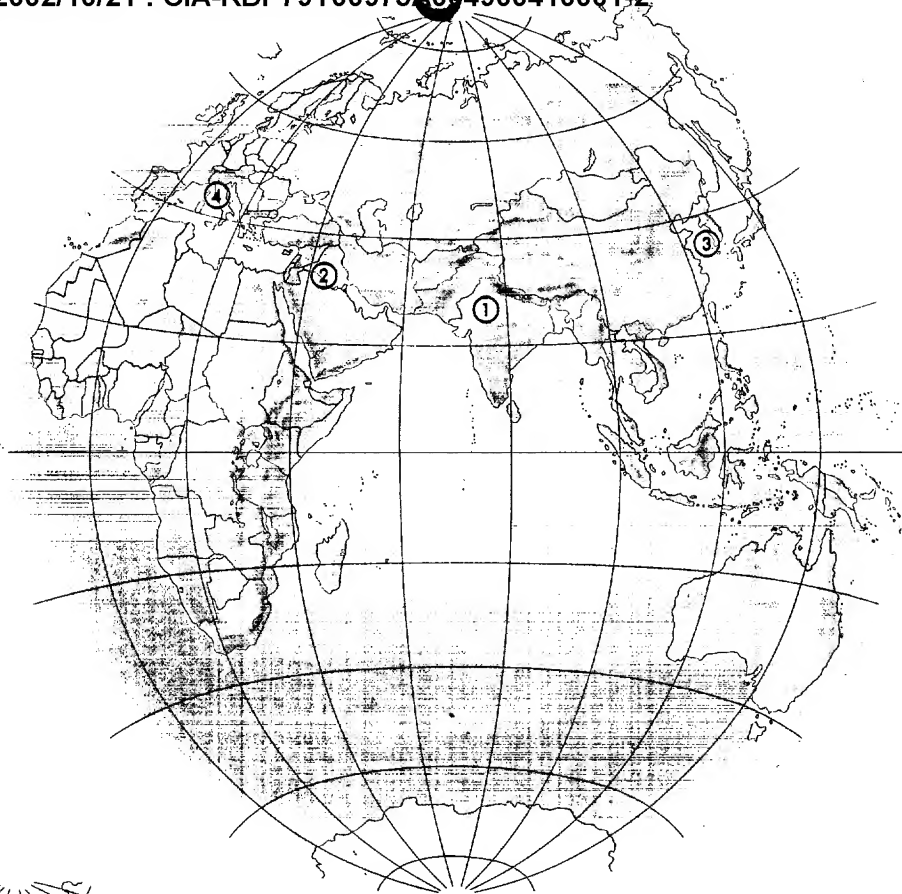
I. THE COMMUNIST BLOC

Khrushchev's visits to India and Burma have failed to allay suspicions of Sino-Soviet bloc policies.

II. ASIA-AFRICA

Unrest in Iraq likely to increase because of mismanagement of land reform program and poor harvests; government may be trying to blame Communists.

South Korean vice president considering withdrawing candidacy for re-election in protest against President Rhee's extra-legal electioneering practices.

**III. THE WEST**

- ④ Italian Government faces possible crisis if Liberal party withdraws support.
- ⑤ Pro-Cuban propaganda demonstrations being planned in Latin American capitals which the President will visit.
- ⑥ Ecuador -- Former president's return on 20 February may spark outbreak of violence.



25X1

CENTRAL INTELLIGENCE BULLETIN

19 February 1960

25X1

DAILY BRIEF

I. THE COMMUNIST BLOC

OK
Khrushchev Visits to India and Burma: Khrushchev's visits to India and Burma apparently have done little to advance Soviet policy objectives in those countries. Both New Delhi and Rangoon went on record in official communiqués as approving some Soviet policy positions such as those on disarmament and the cessation of nuclear tests, but Khrushchev's boastful attitude, his caustic criticism of the West, and the behavior of some of his entourage antagonized some government officials and the press. [REDACTED]

II. ASIA-AFRICA

OK
Iraq: Unrest among the Iraqi peasants and urban dwellers is likely to grow out of a sharp increase in the cost of living due to mismanagement of the land reform program and two successive years of poor harvests. Because spring sowing thus far this year is less than half of normal, harvest prospects for 1960 appear unusually poor, and this may contribute substantially to pressures against the Qasim regime. The dismissal on 16 February of the pro-Communist minister of agricultural reform suggests that the regime is trying to lay the blame on the Communists. [REDACTED]
(Page 2)

25X1

NO
South Korea: [REDACTED] Vice President Chang Myon, leader of the major party in opposition to President Rhee, is seriously considering withdrawing his candidacy for re-election on 15 March in protest against the repressive tactics and fraudulent practices of the Rhee administration. Rhee, who is unopposed for the presidency as a result of the death of Cho Pyong-ok, has mobilized all government agencies down to the lowest level to assure the victory of his party ticket. He has informed the voters he will not tolerate an opposition vice president by publicly stating he will refuse to serve if Chang is elected. [REDACTED]

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III. THE WEST

Italy: The Segni government faces an imminent crisis as a result of the Liberal party directorate's decision to withdraw its support. The Liberals are pressing the Christian Democrats to maintain the government's present rightist alignment rather than, as the Liberals increasingly fear, form a center-left cabinet dependent on Nenni Socialist abstention. The Liberals object to a number of the government's domestic programs and to foreign policy trends, and unless a working agreement can be reached before the Liberal national council meets on 20 and 21 February, Segni may be forced to resign. [REDACTED] (Page 4)

25X1

Latin America: [REDACTED] While there are continuing indications of plans for pro-Cuban propaganda demonstrations during President Eisenhower's visits to Brazil, Argentina, Chile, and Uruguay from 23 February to 3 March, security elements are alerted to the situation. [REDACTED]

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[REDACTED] There have been reports of stepped-up travel to South America by Prensa Latina correspondents and other Cubans. The Cuban issue is considered susceptible of exploitation for propaganda purposes in the four countries which the President will visit.] [REDACTED]

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Ecuador: Violence may break out on 20 February in Guayaquil --Ecuador's largest city--when controversial former President Velasco returns to begin his 1960 presidential campaign. Leaders of a rival, Communist-influenced coalition, whose strength is concentrated in Guayaquil, apparently intend to disrupt the reception being planned by Velasco's followers. Such a melée would afford President Ponce an opportunity to discredit two sets of political enemies at once. [REDACTED]

25X1

19 Feb 60

DAILY BRIEF

ii

25X1

25X1

**IV. SIGNIFICANT INTELLIGENCE
REPORTS AND ESTIMATES**

(Available during the preceding week)

Outlook for Iran. NIE 34-60. 16 Feb 1960.

25X1

19 Feb 60

DAILY BRIEF

iii

25X1

I. THE COMMUNIST BLOC

Khrushchev's Visit to India and Burma

According to the American Embassy in New Delhi, Khrushchev's visit to India went badly from the Soviet point of view, despite efforts by the Indian Government to create the impression that his welcome was of the same spontaneity and magnitude as that given President Eisenhower. Early reports on Khrushchev's stopover in Rangoon also indicate an apathetic reception and "correct" treatment by Burmese officials.

One influential Indian editor informed Ambassador Bunker that Khrushchev's visit had been wonderful because it had completed Nehru's education. He said the Nehru-Khrushchev talks had gone badly and that both men had become angry. The editor believed these talks precipitated Nehru's strong speech in Parliament on 12 February, stating that at present there is no opening for fruitful negotiations with Peiping.

In view of India's policy of friendship toward all, press reaction to Khrushchev's criticism of the West and to the rough behavior of some of his entourage has been relatively mild. Nevertheless, the American Embassy notes a barbed flavor and a perceptible undertone of innuendo and criticism in the Indian press. One editorial actually compared Khrushchev to a snake. The embassy feels that the contrast between Khrushchev's braggadocio and President Eisenhower's humility will not be lost on the Indian public.

One report from Rangoon indicates that Burmese Premier Ne Win was "barely polite" in his discussion with Khrushchev and that he made no bones about his dislike for his official welcoming chores. The Burmese public also appeared unenthusiastic about the Soviet premier.

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II. ASIA-AFRICA

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Decline in Iraqi Agriculture May Stimulate Peasant Unrest

Iraq's poor 1959 grain crop, following a disastrous crop in 1958, is likely to lead to unrest among the peasants and workers in the cities. An equally bad harvest is likely this year.

Since the 1958 revolution, Iraqi grain harvests have declined about 50 percent. Under normal conditions Iraq is an exporter of grains; in 1959, however, it had to import over 400,000 tons of wheat for internal consumption. Wheat purchases abroad--mostly in Turkey and the USSR--cost almost \$50,000,000, about 10 percent of Iraq's annual earnings of foreign exchange.

Much of this difficulty springs from the Agricultural Reform Law of 1958 and its exploitation by the pro-Communist minister of agricultural reform, Ibrahim Kubba, who was dismissed from the cabinet on 16 February. Land was requisitioned, and the supervision and planning formerly done by landlords was taken over by Communist-dominated peasant committees. As a result, harvests have been poor, peasants have migrated to the towns, increasing already extensive unemployment, and the cost of living has increased sharply. The wheat import program, designed to alleviate grain shortages, has been bungled. Drought and locusts have taken their toll.

Prospects for 1960 are grim. Planting is far below requirements. Peasants have spent the cash and eaten or sold the seed given them under a governmental loan program. Graft in official quarters has complicated the problem.

Peasant unrest, added to existing dissatisfaction among the intelligentsia and army officers, and the general economic stagnation, will contribute substantially to pressures against the Qasim regime. The dismissal of Kubba suggests that the regime is preparing to lay the blame on him and his Communist allies.

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[redacted]

Opposition May Boycott South Korean Elections

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[South Korean Vice President Chang Myon, leader of the opposition Democratic party, informed American Ambassador McConaughy on 16 February that he is considering withdrawing his candidacy for re-election in protest against the repressive tactics and fraudulent practices of the Rhee administration. Some Democratic leaders have been giving serious consideration for some time to such a course of action. Chang's remarks probably were also calculated to induce American support for his party. While Chang on 17 February publicly denied that he might withdraw, a final decision probably will be delayed until after an assessment of the full impact in Korea of the death in Washington on 15 February of Rhee's only opponent for the presidency, Democratic candidate Cho Pyong-ok.]

[Rhee, who will run unopposed since Cho's death came two days after the filing deadline, has publicly indicated that he will not again tolerate an opposition vice president. The government has been mobilized down to the lowest level to assure election of Rhee and his running mate, Yi Ki-pung. Should Chang withdraw under such pressure, it would give new impetus to criticism of Rhee's election tactics both at home and abroad.]

[Yi, who is seriously ill, is opposed for the vice presidency by two minor party candidates in addition to Chang. They have little following of their own, have long been associated with Rhee, and at this juncture seem unlikely to affect appreciably the outcome of the election. Should Yi Ki-pung's physical incapacity force his withdrawal, Rhee might accept one of the two as vice president.]

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25X1

25X1

19 Feb 60

CENTRAL INTELLIGENCE BULLETIN

Page 3

25X1

III. THE WEST

Threat of Liberal Defection Jeopardizes Italian Government

Premier Segni may be forced to resign if--as seems increasingly likely--the Liberal party carries out its directorate's decision to withdraw its support from his government. Although Segni's minority all-Christian Democratic (CD) government, with the Monarchists and the neo-Fascists, still has a parliamentary majority, the CD leadership is probably reluctant to be completely dependent on the two extreme right-wing parties, with local elections so close.

The Liberals fear that they are undermining their own popular appeal by supporting Segni without representation and giving the Christian Democrats time to prepare for a center-left cabinet dependent on abstention of the Nenni Socialists. The Liberals, disturbed by pending legislation and foreign policy trends, hope to press Segni to broaden his government to include themselves and his other rightist supporters.

The Democratic Socialist party directorate announced on 11 February that the Nenni Socialists' offer to support a center-left government without asking concessions in return "eliminates one of the most serious obstacles to political change." Democratic Socialist leader Saragat, who remains opposed to a renewal of the old quadripartite government of center parties including the Liberals, urges the center-left formula, which the Liberals fear.

US officials in Rome cite as possibly significant a report from a Christian Democratic source that former Premier Scelba, heretofore a die-hard advocate of the quadripartite approach, has shown interest in heading such a center-left government. They doubt that such an arrangement would work, but think it might if enough votes, including those of independent deputy Olivetti and a few Monarchists, could be scraped up to provide a technical majority which would make the government less obviously dependent on Nenni Socialist abstention.

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Plans for Pro-Cuban Agitation During President's Trip

[Communist leaders in Argentina, Brazil, Chile, and Uruguay continue public statements indicating that they will refrain from any openly aggressive acts during President Eisenhower's visit from 23 February to 3 March, but they are reported encouraging other groups--especially pro-Cuban elements--to make the President "feel unwelcome" through propaganda. Increased travel to South America by correspondents of Castro's Prensa Latina news agency and other Cubans has been reported, although there is little information on definite plans other than propaganda.]

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[The police in all four countries are keeping a close watch on groups favoring the Puerto Rican ultranationalists as well as Cuba in view of reports that they also may try to promote demonstrations.]

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[Communist-influenced groups in Brazil, where capital punishment is prohibited, may try to present to the President or some member of his party petitions on such diverse subjects as the Chessman case and international disarmament, among others. There also may be demonstrations on these issues.]

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Presidential Campaign Activity May Provoke
Unrest in Ecuador

The scheduled return of former President Velasco to Guayaquil on 20 February to begin his presidential campaign for the June elections may touch off violence. His followers are preparing a mass reception, which a rival coalition composed of Communists, leftist Socialists, and the demagogic Concentration of Popular Forces is reportedly planning to disrupt. The coalition is launching its own presidential campaign about 19 February in Guayaquil--Ecuador's largest city, center of the coalition's strength, and scene of frequent political turbulence in 1959.

Velasco is considered a slight favorite in the 1960 race, and the impression he makes on arrival could be a decisive factor in the outcome of the elections. He has lived abroad since completing his 1952-56 presidential term. A previous visit to Ecuador in 1957 failed to spark either the anticipated widespread popular acclaim or a reported revolutionary movement to return him to the presidency.

Ecuadoran security forces are believed capable of controlling any serious violence in Guayaquil if they act promptly. With this in mind, President Ponce might welcome or even seek to bring about riots between the Velasquistas and supporters of the coalition as a means of discrediting his bitter enemy Velasco and the parties in the coalition, which have constantly attacked his administration. However, political clashes could quickly get out of hand in the politically explosive city of Guayaquil.

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